

LNF & IHCIF Calculations Illustration - **Cass/Leech Lake in Bemidji area** -

Given Data

- 8,731 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 24% = % Expenditures on purchased services, 76% = % expenditures in-house
- 90.5% = Cost index for purchasing health care in this geographic area
- 104.6% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$650 per person for purchased services = $24\% * 90.5\% * \$2,980$
- \$2,367 per person for in-house services = $76\% * 104.6\% * \$2,980$
- \$3,017 per person total = \$650 (purchase) + \$2,367 (in-house)
- **\$3,195 per person total** adjusted for health status = $\$3,017 * 105.9\%$
- **\$2,450 per person net cost** = $\$3,195 - \745 Other resources (M&M&PI)

Existing Expenditures (for 8,731 users excluding wrap-around and collections)

- \$712 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$860 per person for OU users** = $\$712 + \$94 + \$54$

LNF Calculation

- **26.9% Gross LNF** = $\$860$ (expenditures) / $\$3,195$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **35.1% Net LNF** = $\$860 / \$2,450$ net cost ($\$3,195 - \745 other)

IHCIF Allocation

- \$5,327,744 = \$ to raise LNF% from 35.1% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$185,832 Allocation** = $\$5,327,744$ needed for 60% * 3.488% IHCIF fraction

Cass/Leech Lake Unmet Needs

- **\$21,394,907 Net Total Need** = $8,731$ users * $\$2,450$ net cost
- **\$13,885,707 Net Unmet Need** = $(100\% - 35.1\% \text{ LNF}) * 8,731$ users * $\$2,450$ net cost